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PROGRAM

Morning Edition

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SUBJECT

Frank Terpil

BOB EDWARDS: To protect the national security of the United States, the Central Intelligence Agency relies on secrecy.

So, the CIA is compartmentalized. Operations are on a need-to-know basis. The agency also relies on a variety of businesses, or commercial covers, to accomplish its missions. A agent must have a job when he arrives in the country he's been assigned to watch.

Frank Terpil and Edwin Wilson knew that that was the way the agency operated. They were CIA officers in the early 70's when they went into business together to sell the skills they'd learned while working for the agency. Both men became wealthy.

But, in 1980, Terpil made a deal to sell guns to two undercover agents in New York. He was indicted and arrested, but fled the country rather than face a 53-year jail sentence for that and other crimes. Terpil's been a fugitive ever since.

Several months ago, Frank Terpil arranged a meeting with journalist Jim Hogan. The two had met before, and Terpil wanted to talk. These exclusive interviews took place in a hotel room in Eastern Europe, and on a beach in the Caribbean.

In Part III of our series profiling Frank Terpil, Hogan explains how Terpil made his deals.

JIM HOGAN: Secrecy, duplicity, and the emergency of an old boys network of former agents has created a commercial twilight zone, an area where the public and private sectors — one governed by profits and the other by patriotism — clash in a fog of uncertainty. It's an area that former intelligence officers, such as Ed Wilson and Frank Terpil, exploit with ease, selling arms, explosives, poisons, and secret information to the highest bidders.

Recently, I spoke with Terpil about his involvement with the government of Libya and his efforts and those of his partner, Wilson, to acquire classified documents for Mu'ammar Qadhafi.

FRANK TERPIL: We wanted country profiles -- political and military profiles on countries' capabilities -- various countries.

HOGAN: The information that Terpil and Wilson required was available only from U.S. intelligence agencies. It included national security secrets, and to get them Terpil and Wilson relied upon their pals in the Defense Intelligence Agency and the CIA. In at least one case, Terpil told me, a highly placed CIA official was put on retainer to obtain the data that was being sought.

TERPIL: We knew the source he was going to go. Ob-viously, it was going to be the agency.

HOGAN: Who put him on a retainer, Wilson?

TERPIL: Wilson, yeah.

The concept was that we would have current intelligence value, or current intelligence data, on the capabilities of another country. Now, the Libyans predicated their timing on the invasion of Chad to one of these reports.

HOGAN: One of the men on Wilson's payroll was Waldo Duberstein, a top level analyst for the DIA. Duberstein's involvement, according to Terpil, was anything but passive. On one ocassion at least, Duberstein personally delviered the secret information, the take, to Qadhafi's representatives in Libya.

TERPIL: Duberstein actually made a trip over to Libya with take, the information.

HOGAN: Indicted for his role in the Libyan affair, Duberstein never came to trial. He was killed with a shotgun in what Terpil describes as a hunting accident in the laundry

room of his girl friend's apartment. The police pronounced the death an apparent suicide.

Just how much Duberstein knew is uncertain. While he was well-paid for his services, he may actually have thought that he was serving his country. Many of those charged in the Wilson case -- men such as Douglas Schlachter, convicted of training terrorists for Libya -- were convinced that both Terpil and Wilson were working for the CIA.

TERPIL: This is why Schlachter contends in his defense he was working for the "Company." And mentally, maybe he thought he was.

HOGAN: Weapons and information were not the only things that Terpil sold. He also traded in lives. Among the charges outstanding against him is that he sought to hire assassins to murder Libyan dissident, Omar Mehesshi. The contract was worth a million dollars, and the men he picked for the job, Terpil says, were professional hit men who worked on contract to the CIA.

TERPIL: I asked. That's how we got them. They told us that they performed hits for the CIA, and it was verified. I met them through an active duty CIA agent. She was the one that brought them to Washington to Wilson and myself. Now, the verification that these people should be ok came from an active duty CIA agent. She brings them to me, introduces them to me—there was no question about what they should have done, and there's no question about what the job was. The job was very plain as to what it would be.

HOGAN: This was to hit Mehesshi?

TERPIL: Yeah.

HOGAN: Not only were the hit men's bonafides certified by the old boys network at the agency, but that same network helped Terpil to procure the lethal material that he later sold to Qadhafi.

TERPIL: The same laboratory that developed remote detonation equipment for the CIA, I used. They thought they were doing it for the CIA. Now, the only difference -- the only difference was I sold mine to Qadhafi. The CIA was giving theirs away to the other countries that were, let's say, more friendly. But the exact use -- the use was the same thing. The use was for remote detonation, clandestine explosives for assassination. Now, how do you differentiate which was bad and which was good? I mean, is there such a things as a good assassination?

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HOGAN: I reminded Terpil that while CIA agents had plotted in the past to assassinate foreign leaders, Fidel Castro, for example, a Senate investigation of the matter failed to prove that the agency had ever succeeded in any such attempt.

TERPIL: What the agency has used -- if you want to use double-talk -- they say themselves that we have not assassinated or attempted to assassinate a foreign leader. They don't clarify the statement that they were not responsible for the attack or the assassination of a foreign leader. Which means that -- normally Americans do not go into a place like Kenshasha and try to assassinate Patrice Lamumba; they hire locals.

HOGAN: The Wilson-Terpil case is a shocking one, but the questions that it raises go beyond the who shot whom of particular indictments. The real question: can an open society co-exist with a secret service with the inevitable corruption of men such as Frank Terpil and Ed Wilson?

For National Public Radio, I'm Jim Hogan.